

# TENNESSEE REGULATORY AUTHORITY

Sara Kyle, Chairman  
Lynn Greer, Director  
Melvin Malone, Director



01 SEP 17 00 11 23

460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

OFFICE OF THE  
EXECUTIVE SECRETARY

September 17, 2001

Mr. T.G. Pappas, Esq.  
Bass, Berry & Sims PLC  
315 Deadrick Street #2700  
Nashville, TN 37238

In re: TRA Docket No. 01-00451 – Petition of United Telephone Company to Change and Increase Certain Intrastate Rates and Charges So As to Permit It to Earn a Fair and Adequate Rate of Return on Its Property Used and Useful in Furnishing Telephone Service to Its Customers in Tennessee and to Adopt New and Realistic Depreciation Rates for Central Office Equipment

Dear Mr. Pappas:

To assist the TRA Staff in our investigation of United Telephone Company's Supplemental Petition, please respond fully to the attached request for information.

We request that you serve the TRA Staff (Joe Shirley and myself) with two copies of your responses by September 24, 2001. You should separately file the appropriate number of copies of your responses with the TRA's Office of the Executive Secretary. If you have any questions concerning the attached request for information, contact Joe Shirley at 615-741-2904, extension 152.

Sincerely,

A handwritten signature in black ink, appearing to read "G. Hotvedt".

Gary Hotvedt  
Counsel

Attachment

cc: Herbert Bivens  
David Waddell

1. In response to Item No. 12 of the TRA Staff's information request dated August 13, 2001, United Telephone provided a letter dated August 17, 2001, from John N. Rose, OPASTCO President, to Herbert Bivens, General Manager. Please respond to the following inquiries concerning this letter's discussion of the proposed MAG plan.
  - a. Does United Telephone agree fully with all of the statements made by Mr. Rose in his August 17, 2001, letter describing the MAG plan and its potential impact upon United Telephone Company?
  - b. If the response to Item No. 1.a., above, is in the negative, identify each statement made by Mr. Rose that United Telephone does not agree with in every respect and provide an explanation as to why United Telephone does not agree.
  - c. Does United Telephone agree fully with Mr. Rose's statement that "[s]ince the Plan will not be implemented until 2002, there is no effect upon United Telephone's total interstate [access] revenues for 2001"? See Response to Item No. 12 of the TRA Staff's information request dated August 13, 2001, Page 3.
  - d. If the response to Item No. 1.c., above, is in the negative, provide an explanation as to why United Telephone does not agree.
  - e. Does United Telephone agree fully with Mr. Rose's statement that "[s]ince the MAG plan was designed to be revenue neutral, there should be no effect for United Telephone interstate revenues for the year 2002"? See Response to Item No. 12 of the TRA Staff's information request dated August 13, 2001, Page 3.
  - f. If the response to Item No. 1.e., above, is in the negative, provide an explanation as to why United Telephone does not agree.
2. Provide a schedule showing the amount of projected Construction Work In Progress ("CWIP") for each month ending during 2001 and 2002 (i.e., for each month ending during the period of time from January 2001 through December 2002).
3. Provide a schedule showing the amount of projected Plant Additions by USOA Account Number for each month ending during 2001 and 2002 (i.e., for each month ending during the period of time from January 2001 through December 2002).
4. Provide a schedule showing the amount of projected Plant Retirements by USOA Account Number for each month ending during 2001 and 2002 (i.e., for each month ending during the period of time from January 2001 through December 2002).
5. Provide a schedule showing the amount of projected Depreciation Expense by USOA Account Number using current TRA-approved Depreciation Rates for each month ending during 2001 and 2002 (i.e., for each month ending during the period of time from January 2001 through December 2002).

6. Provide a schedule showing the amount of projected Depreciation Expense by USOA Account Number using Company-requested Depreciation Rates for each month ending during 2001 and 2002 (i.e., for each month ending during the period of time from January 2001 through December 2002).
7. Provide a schedule showing the amount of projected Accumulated Depreciation by USOA Account Number using current TRA-approved Depreciation Rates for each month ending during 2001 and 2002 (i.e., for each month ending during the period of time from January 2001 through December 2002).
8. Provide a schedule showing the amount of projected Accumulated Depreciation by USOA Account Number using Company-requested Depreciation Rates for each month ending during 2001 and 2002 (i.e., for each month ending during the period of time from January 2001 through December 2002).
9. Provide a schedule showing the computation and projected amount of Accumulated Deferred Federal Income Taxes for the years ending 2001 and 2002 using TRA-approved Depreciation Rates.
10. Provide a schedule showing the computation and projected amount of Accumulated Deferred Federal Income Taxes for the years ending 2001 and 2002 using Company-requested Depreciation Rates.
11. Provide the workpapers, including the dollar amounts by Line Number, used to develop the cost of capital as reported on "Exhibit 3 – Revised" to the Supplemental Testimony of Joe M. Enoch filed on September 12, 2001.
12. Provide an update as to the status of United Telephone's pending RUS Loan Application, including but not confined to, a summary of any communications from the Rural Utilities Service regarding the loan and any changes in the loan amount, cost of debt, or time frames for receiving anticipated loan proceeds.
13. In response to Item No. 18 of the TRA Staff's information request dated August 13, 2001, United Telephone provided a schedule of construction cost estimates. Does this schedule represent United Telephone's current best estimate of the amount of RUS loan proceeds required and United Telephone's intended uses of the loan proceeds?
14. If the response to Item No 13, above, is in the negative, provide a revised schedule of construction cost estimates updating any changes in the amount of the total loan required or intended uses of the loan proceeds.
15. Provide a complete copy of United Telephone's responses to the Consumer Advocate and Protection Division's information request dated September 17, 2001.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served, via the method(s) indicated, this the 17<sup>th</sup> day of September, 2001, on the following:

☐ Hand Delivery  
☒ Facsimile  
☐ U.S. Mail

Vance L. Broemel, Esq.  
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Consumer Advocate and Protection Division  
425 5<sup>th</sup> Avenue North, 3<sup>rd</sup> Floor  
Nashville, TN 37243

☒ Hand Delivery  
☐ Facsimile  
☐ U.S. Mail

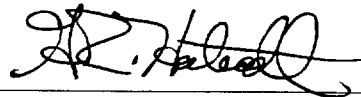
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